GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investment Department – AP Maritime Board– Machilipatnam Port-Creation of Special Purpose Vehicle (SPV) - Orders – Issued.

INFRASTRUCTURE & INVESTMENT DEPARTMENT

G.O.MS.No. 7 Dated: 04-02-2020

Read the following:

1. G.O.Rt No: 282, I I I & C (Ports) Dept., dt: 24.10.2019
2. G.O.Ms.No: 100, I I I & C (Ports) Dept., dt: 22.11.2019
3. G.O.Ms.No: 101, I I I & C (Ports) Dept., dt: 22.11.2019
4. Govt., Memo No INC01-Port/46/2019 dt: 13.12.2019.
5. Letter No.ENE56-COORONINT/6/2019-DGM(T) dt:20.12.2019
6. Memo No INC01-PORT/46/2019 dated 20.12.2019
7. G.O.Rt. No. 2875 G.A (SC-A) Department, dated 20.12.2019.
8. Govt. Memo No.INC01/PORT/46/2019, dt.26.12.2019

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ORDER:

In the reference 1st read above, Government have decided to form ***Special Purpose Vehicles for development of Machilipatnam Port ,Ramayapatnam Port & Bhavanapadu on Fast Track mode*** and nominated Director of Industries as special officer for formation of SPVS. In the references 4th to 6th read above, Government have issued orders nominating the Shareholders & first Directors of the proposed 2 (two) companies, namely Machilipatnam and Ramayapatnam.

2. In the references 2nd & 3rd cited, the Government of Andhra Pradesh has brought the ***Andhra Pradesh Maritime Board Act, 2018*** into force to provide for rapid development of port sector and for the overall development of hinter land and offshore areas connected to the port-use and industrialization in port areas in Andhra Pradesh through establishment of ***Andhra Pradesh Maritime Board***. As per sub-section (2) of section 15 of Andhra Pradesh Maritime Board Act 2018 (Act 16 of 2019), the Government shall constitute a Port Proximal Area Development Authority (PPADA) for each Port, under the Chairmanship of the Board. As per the preamble of Andhra Pradesh Maritime Act, 2018 and powers conferred there under, the formation of SPVs for the development of ports, fall under the purview of Andhra Pradesh Maritime Board.

3. Government, after careful examination, hereby approve the formation of Special Purpose Vehicle (SPV) **"Machilipatnam Port Development Corporation Limited"** for the purpose of taking up port development and port led development.

4. The SPV shall be registered as ***Public Limited Company*** under Companies Act, 2013, and ***fully owned by A P Maritime Board***.

(P.T.O)

5. The company shall ***have initial Authorized capital and paid –up capital of Rs. 5,00,000/- (Rupees Five Lakhs Only) dived in to 50,000 (Fifty Thousand only) number of Equity shares of Rs. 10/- each***.

a) The shareholding / initial subscribers are as follows:

Sl. No	Name of the Subscriber to the Memorandum of Association	Number of Shares
1	Andhra Pradesh Maritime Board through Chief Executive Officer, AP Maritime Board GoAP	49,994
2	CMD, AP Maritime Infrastructure Development Corporation limited	1
3	Spl, Secretary Finance Department, GoAP	1
4	The Chief Executive officer, AP Maritime Board	1
5	The District Collector, Krishna District	1
6	Additional /Joint/Deputy Secretary, Infrastructure & Investment Dept., GoAP	1
7	Port Officer, Machilipatnam	1
	Total	**50,000**

b) The ***first directors*** of the companies are:

1. Special Chief Secretary to Govt., I&I., Dept., GoAP as Chairman
2. The Chief Executive officer, AP Maritime Board
3. The Dy Chief Executive Officer, AP Maritime Board
4. Chief Accounts Officer, AP Maritime Board
5. District Collector, Krishna District.

c) The ***Registered office*** of company is proposed at AP Fibernet, 3rd Floor, NTR Administrative Block, Pandit Nehru Bus Station, Vijayawada – 520013, A.P.

d) As part of incorporation documents, the proposed Memorandum of Association and Articles of Association need to be drafted. The Government hereby authorized the CEO, A P Maritime Board to get them drafted as per Companies Act, 2013 and file the same for incorporation of the proposed company

(PTO)

e) The Managing Director/CEO of the SPV of Machilipatnam Port Development Corporation Limited shall be appointed by the Board preferably a professional selected from the market based on merits to develop and manage the port.

f) The SPV also induct required number of Independent Directors as per Companies Act, 2013 for the transparent and effective governance.

g) For incorporation of the companies the ***CEO Maritime board may incur incorporation expenditure from the funds of Andhra Pradesh Maritime Board***, subject to reimbursement of the same from the SPV after incorporation

6. The main ***functions / objectives*** of the proposed Machilipatnam Port Development Corporation are as follows:

i. To initiate and develop plans for the port

ii. To be the agency of AP Maritime Board in protection of its sovereign rights in governing waterfront land within the port jurisdiction

iii. To promote the use, development and improvement of proposed port

iv. To facilitate the development of port connectivity projects and land infrastructure needed for the effective development of proposed port

v. To develop, operate and maintain the port

vi. To acquire, purchase, transact, develop the land within the port area boundary

vii. To be designated as the AP Maritime Board's agency in all contracts and agreements entered with private port developers, including but not limited to concession, state support and land lease agreements for the purpose of enabling port infrastructure development, and the assigned all associated duties and obligations on behalf of the Board

viii. To provide or ensure the provision of such other services and facilities as are in the opinion of the board necessary for the operations of the port

ix. To take up Public Private Partnership (PPP) projects as per the guidelines for development / construction / operation and maintenance of a port terminal or related infrastructure

x. To carry out port led development including industrial, logistics, port related infrastructure in the hinterland either by itself or through PPP mode

xi. To form the Special Purpose Vehicles in Joint Venture or PPP mode for executing the port and related infrastructure facilities, for the purpose of effective discharge of its functions, and to secure the rights of the Board

xii. To raise financial resources from market besides government funding as may be required for the development of port

(PTO)

xiii. It shall engage professionals from industry / market on competitive terms and acquire capabilities and act as a world class public body for development of a world class Port

xiv. To function as Port Proximal Area Development Authority under Andhra Pradesh Maritime Board Act 2018 (Act 16 of 2019) for the port within the area as decided by the Government to regulate the development.

xv. To submit its periodic report regularly to AP Maritime Board and take all strategic approvals from the AP Maritime Board from time to time

7. The Chief Executive Officer, AP Maritime Board shall take necessary action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer, AP Maritime Board
The Special Chief Secretary to Govt., I&I Dept.
The Dy Chief Executive Officer, AP Maritime Board
The Special Secretary, Finance Department
The Chairman and Managing Director, APMIDCL
The District Collector, Krishna District.
The Port of Officer, Machilipatnam
The Additional /Joint/Deputy Secretary,
Infrastructure &Investment Dept., GoAP
Copy to:
The PS to Principal Advisor to Hon'ble CM
The OSD to Chief Secretary to Govt.
The PS to Special Chief Secretary to Govt. I&I Dept.

//FORWARDED:: BY ORDER//

SECTION OFFICER